

Exhibit 35

Axt, William R.

From: Yu, Michelle
Sent: Wednesday, February 08, 2017 10:08 AM
To: Okimoto, Cary; Inouye, Jerry J.; Axt, William R.
Cc: Vanic, Rade K.; Yoro, Sarah; Uyema, Lynne Goto
Subject: SA - Follow-Up Question to Commission's Email

Please see Gordon Pang's questions below regarding the Chair's email. Also, do we want to respond to the Chair's comments on HPD funds?

This story is scheduled to run tomorrow.

Thanks,
Michelle

-----Original Message-----

From: Gordon Pang [mailto:gordonpang@staradvertiser.com]
Sent: Wednesday, February 08, 2017 9:46 AM
To: Yu, Michelle
Subject: FW: FYI!

Aloha Michelle,
Below is a statement from Honolulu Police Commission Chairman Max Sword which he gave yesterday in response to our further inquiries about the details of Chief Kealoha's severance check.

Given his comments, here are some further questions for Acting Chief Cary Okimoto.

- 1) At any point, did HPD sign off on using HPD funds to pay Chief Kealoha.
- 2) When, if ever, were you informed that the money had been taken out of HPD's salaries budget?
- 3) Can you confirm when the check was processed?

Thank you for your attention to our query.
Gordon

Gordon Y.K. Pang
Star-Advertiser Staff Writer
Desk: 529-4821
Fax: 529-4750
Cell: 479-2116

From: Max Sword [max.sword@outrigger.com]
Sent: Tuesday, February 07, 2017 4:54 PM
To: Gordon Pang
Subject: FYI!

Aloha Gordon!

The payment to Chief Kealoha was a severance payment, which is a type of salary or wages.

I understand that there have been other situations in which an employee has separated from the city with a severance payment. In those situations, the payment is processed as a payroll payment from the affected department's budget.

I mentioned in a previous email, in this case, the Honolulu Police Department (HPD) includes the Honolulu Police Commission, the Chief of Police and the HPD staff, and so the severance payment was paid from the HPD's salaries budget. With that being said, based on the Police Commission's sole authority to hire, fire or discipline the Chief, the salary, wages, and benefits of the Chief, including the payment under the retirement agreement, necessarily come out of the HPD's salaries budget.

The city's payroll payments, including severance payments such as the one made to Chief Kealoha, are processed by the Department of Budget and Fiscal Services. The check was therefore delivered to the offices of Chief Kealoha's attorney, Kevin Sumida, on Friday, January 27, 2017 from BFS.

Given that the Police Commission is the appointing authority of the chief, the approval of Acting Chief Cary Okimoto was not required to make the payment. With the approval of the agreement, it was the Police Commission that authorized the severance payment.

From my understanding, HPD is projected to have more than a \$1 million surplus in current expenses for this fiscal year, which ends on June 30, 2017. As with any department, if funds are required to fill approved vacant positions, the HPD can request additional funds from BFS. There are more than enough funds in the HPD's budget to cover not only the severance payment but also the HPD's ongoing work in protecting the public's health and safety.

Per your request I will ask BFS for a copy for the settlement check.

ix!

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